

\$465,680,154 AVERAGE GIVEN TRANSIT LINES BY BOARD'S EXPERTS

Figure Omits City's Present Investment and Includes Forty Roads in the City.

\$300,000,000 IS CUT OUT

Enormous Shrinkage Represents 40 P. C. Off of Companies' Claims.

STRONG REPLY TO MAYOR

Hearings Begin March 6 Preliminary to Making Plans to Unify Systems.

The Transit Commission received and made public yesterday the report of its bureau of valuation. The report recommends the total figure of \$465,680,154 as the net valuation, exclusive of the city's present investment, to be placed on the properties of the forty transit companies proposed for inclusion in the commission's plan for the reorganization, unification and municipalization of the New York city railway systems.

Present capitalization of all those transit companies, including stocks and bonds of every description now outstanding, aggregates approximately \$1,000,000,000. From that total, however, the commission's bureau of valuation has excluded various company holdings, bringing the par values of the actual securities held by the public down to \$765,000,000. The valuation of the same properties by the companies themselves, as carried on their books and irrespective of security issues, aggregates \$731,000,000.

Four Appraisal Methods Used.

Four different methods of valuation of the properties were employed and the results of each were embodied in the voluminous report filed. The recommendation of the bureau of valuation, however, is that final valuation be based on the cost of reproduction, which is to be deducted the various amounts of expenditure necessary now to put each property in first class operating condition. The other three methods and the results they yield are:

BOGUS RATING BUREAU PROFITS BY MULCTING BUCKETEER AND PIPE

Takes Small Fee From Prospective Victim, Gets Commission for Producing Him and Then Blackmails Crooked Operator—Some Swindlers Run Stock Companies, Brokerage and "Investigation" in One Manipulation.

This is the eleventh of the series of articles which THE NEW YORK HERALD is publishing to show the widespread operations of bucket shops and the manner in which they are taking millions of dollars from the public fraudulently. This article will show how the bucketing ring supports fake credit investigators to ease the minds of its prospects. The twelfth article will appear to-morrow.

THE NEW YORK HERALD published in this series of articles last Saturday morning an article showing how completely without restriction or supervision of any sort the bucket shops are allowed to plunder the public. No incorporation or other evidence is required by the State, nor is there any check through which it can be determined whether a stock broker is conducting his business honestly. As a result of the failure of the Government to provide such protective measures, any one desiring to invest or speculate is compelled to rely on what meager information and guarantees he is able to obtain through his own efforts.

Thus, as might reasonably be expected, we find the bucket shop operator not only unafraid of anything a prospective client may find out concerning his illegitimate business but he actually has arranged to capitalize the ordinary precaution which such a prospect might be expected to exercise. That is accomplished through an "investigating bureau," which collects a fee at both ends of the business—a fee from the bucket shop for telling the customer that the bucket shop is an honest, upright institution and a fee from the customer for furnishing that false information.

To the former fee is added frequently a split in commission for accounts landed by this method, and through a gentle form of blackmail such agencies are able to draw still further payments from bucket shops concerning which they receive inquiries, but whose names are not on the investigating bureau's list. This is added to the bucket shop's fee for one more money sucking appendage, and the bucket shop victim must pay for all of it.

Both Use Same List. This feature of the victim catching system of the bucket shop ring is worked in this manner: The money investigating bureau opens offices and starts business with as many bucket shops on its list as it can get. The bureau then takes either its own sucker lists or sucker lists of its bucket shop subscribers to its "service" and mails out a letter somewhat as follows:

"Knowing that you are sometimes interested in investing in stocks and bonds in New York, we take the liberty of offering to you, our services as investigators of banking and brokerage houses. It is of utmost importance to you that you know the character of the houses to which you entrust your money. We are on the ground and have a large staff of experts trained in finding out the things you wish to know. Should you desire a report on your broker please fill out the enclosed blank and return it with the customary fee of \$2 for our service."

This, of course, does not seem an exorbitant amount to pay for any sort of service. An investment of \$2 ought not to send any man into bankruptcy or cause him to seek the District Attorney, but such an investment is only the beginning. The fee is made small only as a bait.

"Bucketeer Uses 'Follow-up.'" What happens next is this: The bucket shop client of the investigating bureau mails out a circular to the same list to whom the bureau offered its services. That circular carries the usual bucket shop offer to buy a stock rich overnight by use of its marvelous tips and "inside information," or offers some particular sort of stock highly recommended for its potential money producing prospects.

Generally it is not until the second letter—the one from the bucket shop—arrives in the hands of the prospect that the investigating bureau begins to work. The bucket shop's letter outlines the glowing opportunities offered by the bucket shop and the prospective victim immediately betinks himself of the investigating bureau. "Well, now," he ruminates, "if this stock proposition is as good as it looks and the broker is all right it might not be a bad thing to take a chance on. I think I'll just send the investigating bureau a couple of dollars and find out who these people are and what their stock is like."

He does. He sits right down and sends his \$2, explains that he is considering doing business with Skinnem & Flecem, and that he desires to know first whether it is a reputable concern. The investigating bureau immediately writes back that Skinnem & Flecem, so far as the bureau has been able to learn, is a first class concern. Usually such a bureau will explain, however, that it cannot pass on the merits of any stock offered by Skinnem & Flecem, since the bureau does not make a business of investigating stocks. The impression is left, however, that so reputable a firm would hardly be guilty of offering a worthless security.

Has Many Ways to Collect. At the same time the investigating bureau, which already has charged the bucket shop \$125 for a subscription to its service, sends to the bucket shop a record of the inquiry. It has received the \$2. This is recorded to the bureau can collect from the bucket shop a commission if the latter lands the victim. And when the deal goes through the commission is collected.

BANDIT ROBS 2 BANK RUNNERS OF \$22,000; ARREST TWO DRIVERS

Unarmed Men in Truck Turn Over Cash in Seventh Avenue.

MOTOR AIDS ROBBERY

Companions Wait Near By and Pick Up Holdup Man at Curb.

CHAUFFEUR HAS RECORD

Marro, Carrying Greenwich Bank Money, Has Been in Penitentiary.

Michael Marro, of 19 Spencer Court, Brooklyn, a chauffeur employed by the E. S. Danta Trucking Company of 35½ Greenwich Avenue, was arrested early this morning and locked up in the West Thirtieth street station charged with complicity in the holdup of two bank messengers riding on his truck by a lone bandit armed with a revolver yesterday morning at Seventh Avenue and Nineteenth Street, and the theft of \$22,000 from them.

An hour after the arrest of Marro, which came when he had been questioned for several hours by Detectives Corcoran and Flood, the detectives went to 781 Second Avenue and arrested Frank Flannagan, a chauffeur of 342 East Forty-eighth Street. He was locked up also, and both men were charged with robbery and with acting in concert with others to commit the holdup. The police did not say just what part Flannagan played in the robbery.

The robbery was one of the most daring daylight holdups New York has had in months, but the bandit did his work so efficiently and so quickly that not one of the scores of passersby had an idea of what was going on when the truck stopped at the curb and one of the three men sitting on the front seat handed a bag to a man standing on the sidewalk.

None of them noticed the man on the sidewalk had his hand in his pocket and none noticed the round muzzle of a revolver outlined against the cloth. One woman told the police she felt something was wrong, but thought it was perhaps a moving picture and looked for the camera. By the time she got through looking the robber was gone.

The \$22,000 was the property of the Greenwich Bank, but according to Charles E. Whyyard, vice president, the loss is fully covered by insurance. The two bank messengers who were on the truck with Marro are William Russell of 28 Maple Avenue, Montclair, N. J., and Clarence Brown of 154 East 159th Street, both negroes.

His Criminal Record.

But the one the police became interested in at once, they said, was Marro, who first attracted the attention of the police eleven years ago when he was convicted as a package thief. Three years later, in 1914, he was charged with grand larceny and received a suspended sentence, as on the former occasion.

Later, in 1916, he was again convicted of grand larceny and sent to Elmira Reformatory. That was the last the police knew of him until yesterday, when the war came Marro served in the army, got an honorable discharge, married, became a father, and a year ago got a job driving a motor truck for E. S. Danta of 35½ Greenwich Avenue.

While Marro's record is against him, he has been carrying large sums of money, probably much larger sums than the \$22,000 in paper and \$18,000 in silver he carried yesterday. In fact, he was assigned to the bank run by Mr. Banta when the truck owner, an old depositor, first got the contract.

Yesterday Marro, as was usual on Monday, drove to the Greenwich bank branch at Herald Square and Thirtieth Street, where Russell, who has been with the bank fifteen years and draws a salary of \$16 a week, and Brown, who has been employed four years, busied themselves loading the silver into the body of the truck, which is loaded with the silver. They started down Seventh Avenue.

As the truck passed through the twenty-ninth street station.

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HARVEY PREDICTS PACT RATIFICATION; PRAISE FOR BALFOUR

Tells Pilgrim Society He Knows Senate Will Approve Treaty.

KING LAUDS HUGHES

In Special Message Says Balfour Earned Gratitude of the Empire.

ENVOY WON BY HIS FAITH

Guest of Honor Replies Work Was Due to Mutual Trust.

Special Cable to THE NEW YORK HERALD: Copyright, 1922, by THE NEW YORK HERALD. New York Herald Bureau, London, Feb. 20.

George Harvey, the American Ambassador, predicted the speedy ratification of the Washington conference treaties by the United States Senate, and Arthur J. Balfour insisted that the Washington conference was not antagonistic to the League of Nations, at the dinner given to-night by the British Society of Pilgrims in honor of Mr. Balfour's work at Washington.

The Duke of York represented the royal family; but the King, in addition, sent a lengthy message praising Mr. Balfour, the results of the conference, President Harding for initiating it and Secretary of State Hughes for carrying it on. "What has been accomplished and ratified by the delegates is of preeminent importance," wrote King George, "but apart from the great measure of its worth, has not the conference kindled amongst the nations of the world a new spirit, which, quickening the old diplomacy and giving it international rather than merely national character, cannot fail to produce lasting and far reaching benefits to civilization?"

Mr. Harvey told Mr. Balfour that "it was not your tact that won a triumph at the Washington conference; it was your truth that won in the battle of faith." He also declared that speaking from information the exactness of which was beyond question "the ratification by the British Government of the Washington treaties was no more certain than that they would be ratified by the United States Senate."

Success Assured From First.

Marquis Curzon of Kedleston, Secretary of Foreign Affairs, declared that the success of the conference was assured from the moment when, half an hour after Secretary Hughes' thrilling statement on the first day, Mr. Balfour, on his own responsibility, gave the full agreement of the British Empire to that sentiment. In summing up the results, Lord Curzon said:

"First it will put an end to the insane competition in naval armaments, which is bankrupting nations, and reduce our own budget, with a single stroke, twelve to fifteen millions; second, the storm clouds of the Pacific are dissolved in form of relations of mutual trust, confidence and admiration. It was the great inspiration of the Americans, voiced by Mr. Hughes at the first meeting, that gave the greatest promise of the conference's success, but that promise would have been broken if in the long discussions anything had been done

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RAIDERS TAKE INSURANCE AS SOLDIER BONUS BASIS; OPPOSITION GAINS FORCE

Always the Same Old Five Billions of Dollars

Congress, stumped at every turn in its efforts to find the money with which to pay the bonus loot, now in desperation takes recourse to readjusted insurance as a bonus.

The President is out against a bonus bond issue and out against all bonus taxes except a sales tax. But the farmer bloc is up in arms against a sales tax and won't have it.

Chairman Fordney, the forefront of the bonus drive in Congress, the hope of all bonus propagandists, is having a rough time of it, but is determined, no matter what happens to the country and to his party, to put the bonus through.

Whether a bonus bond issue, whether special bonus taxes, whether sales taxes or insurance, or land allotment, as suggested by Senator Fall, or even something ex-service men might themselves devise, as in- anally suggested by Senator Calder—it is always the same old five billions of dollars.

All bonus schemes, no matter what, converge at this point—five thousand millions of dollars to be gouged out of the people.

DR. MOOR'S FLOCK EXPELS AN ACCUSER

Stormy Scenes in Madison Avenue Baptist Church Over Dr. Hall's Charge.

WOMEN LOYAL TO PASTOR

Refuse to Listen to Letters Intended to Sustain Alleged Slanders.

The congregation of the Madison Avenue Baptist Church had another stormy meeting last night in Sanders Hall, adjoining the church building at Madison Avenue and Thirty-first Street, as a result of the charges made by members against the pastor, the Rev. George Caleb Moor. After two hours of oral fighting the congregation voted, 75 to 35, for the expulsion of the Rev. Dr. Charles F. Hall, a retired clergyman, formerly a deacon in the church and a war worker in England during the conflict with Germany, for his alleged slanderous remarks about Dr. Moor.

Dr. Hall took the stand during the meeting and read letters which tended to substantiate the charges that he and Mrs. Jesse V. Day, expelled at a meeting of the congregation last week, have made against Dr. Moor, accusing him of impropriety while pastor of a church in Jamestown, Va. But the reading of the letters met with vigorous protest.

Women cried out "Shame! Shame! It's a crime against Dr. Moor!" and groups of them flounced from the hall, indignantly refusing to listen to the reading of the letters. But they returned in time to cast their votes for expulsion.

The friends of Dr. Hall were gathered in the left wing of the auditorium. Mrs. Grace Humiston, sister of Mrs. Day, was counsel for Dr. Hall and led the fight for his retention in the church. The controversy followed immediately the vote of the congregation not to take action on two other members named by the joint committee and in voting to permit another member, a woman, to withdraw from the church. These names were not made public.

Dr. Moor attempted to prevent Dr. Hall from reading the letters he had to bear out the statement that the present pastor is not a fit person to occupy the pulpit of the church. And after both sides had been heard Dr. Moor challenged Dr. Hall to drop the controversy and withdraw from the church.

"I'll accept that challenge," thundered Dr. Hall, waving a defiant arm at Dr. Moor. "I'll not take back one word of what I've said and what I've corroborated here to-night by letters from persons who know you and you could hear voices in the back of the auditorium."

Dr. Hall took his seat and the moderator called upon the congregation to act upon the motion to expel Dr. Hall because of charges of having made false and slanderous statements to the deacons about the pastor. The action was recommended by the joint committee. By a standing vote the expulsion was ordered. Immediately afterward the congregation voted to adjourn. Further action growing out of the controversy over the alleged actions of Dr. Moor will be considered next week.

REPORT SEAPLANES SEIZE RUM RUNNER

British Schooner Said to Have Been Captured South of Miami

WOMEN LOYAL TO PASTOR

Refuse to Listen to Letters Intended to Sustain Alleged Slanders.

MIAMI, Feb. 20.—The British schooner Annabelle was reported unofficially here to-day to have been seized last night by United States coast guard cutters off the coast of Miami, with a cargo of 11,500 cases of whisky aboard. The seizure, it was added, was made by armed airplanes of a prohibition squadron operating out of Miami and adjacent coast towns.

Efforts to confirm the seizure officially, however, were without avail. Local officials said they were without information and communication could not be established with Jewish Creek. The use of Government airplanes in combating the liquor traffic in this vicinity, it was added, was a long-standing practice. A coast-guarding machine gun capable of firing 400 shots a minute.

Capt. Johnson, who brought the report here, stated that the prohibition squadron was equipped with a wave code which no other wireless apparatus could intercept, and this is used exclusively in the sending and receiving of official messages. In the stern of each seaplane is a Colt-Browning machine gun capable of firing 400 shots a minute.

TO ATTACK SMUGGLERS BY LAND, SEA AND AIR Government Agencies Combine on New Campaign.

Special Dispatch to THE NEW YORK HERALD: New York Herald Bureau, Washington, D. C., Feb. 20.

In a campaign to check to some extent at least the smuggling of rum, narcotics and aliens into the United States along both sides of the Florida peninsula and the Carolina coast, Government agencies have combined for a broad new law enforcement program. Washington has determined on a plan which provides for simultaneous attack by land, water and air upon the twentieth century freebooters and pirates.

A great many submarine chasers were left in Coast Guard control following the war. They have been out of commission. The Coast Guard did not have the officers and men to man them. Experts of conditions along the Florida coast, which have approached a national scandal, led to an interdepartmental conference, at which it was arranged for the use of funds of the prohibition office to man these vessels for service along the Florida coast.

Seaplanes were drawn from the Navy and it was not difficult to find trained pilots who have been in the military or naval service. Though no official statement will be made, it is understood several have been commissioned, and that several sub-chasers are or soon will be on the job. Through these efforts a decided check to smuggling is anticipated.

FLORIDA-LIVE WELL AND TRAVEL well. Seaboard dining car service unequalled. Stopovers Southern Pine, Pinehurst, Camden. ALCO BRANDARD FLORIDA LIMITED—\$20 P. M. Information 142 W. 42nd St. Tel. Bryant 3415—Adv.

30 SENATORS FIGHT

Are Strong Enough to Block Passage Over a Veto, It Is Now Declared.

HOPE IS PUT IN DELAY

Legion Commander, on Other Hand, Wires Harding for Speedy Action.

FIRM AGAINST SALES TAX

Farm Bloc Refuses to Yield—Quest for Money Goes On Steadily.

By LOUIS SEIBOLD. Special Dispatch to THE NEW YORK HERALD: New York Herald Bureau, Washington, D. C., Feb. 20.

Goaded by the professional promoters of the bonus raid on the Government finances and business of the country, the Congressional supporters of that scheme to-day resumed their quest for money to pay the bill.

The Republican members of the Ways and Means Committee were assembled by Chairman Fordney, who has actively assumed leadership of the bonus raid. They decided to support the "five point" graduated compensation measure demanded by the American Legion and other propagandists engaged in pledging the votes of men that served in the world war for those members of Congress who vote for the bonus raid.

Chagrined over the failure of their Congressional supporters to put through the bonus bill, Commander MacNider of the American Legion wired to President Harding and Mr. Fordney an impatient demand that action be taken immediately. In his telegram to members of Congress seeking the votes of ex-service men the legion commander declared he was speaking for 5,000,000 returned service men representing 20,000,000 of relatives and friends who presumably will vote as the bonus propagandists demand in the coming Congressional elections.

MacNider Order Heeded.

The MacNider demand served to accelerate the activities of Representatives who are afraid of political reprisals. Mr. Fordney and his Republican associates on the Ways and Means Committee lost no time in evidencing their desire to comply with the MacNider order.

After making some changes in the phraseology of the insurance feature of the bonus bill the Republican committee adjourned until to-morrow, when they will again put into use a divining rod or some other contraption in a last desperate attempt to locate the \$5,000,000,000 which is needed to finance the raid.

A suggestion was made by a Democratic committee member who was excluded from the Republican meeting that a ouija board be obtained or a clairvoyant consulted to solve a problem which baffles officials of the Government and business experts.

Fordney Shows Irritation.

Chairman Fordney repeated his prediction that a bonus bill would be reported within a week or ten days. When his attention was called to the fact that he made the same statement three weeks ago the Ways and Means Chairman displayed some irritation. He was asked where the money was to be raised to finance the bonus. He replied: "I don't know. You can't get anything out of me on that."

Majority Leader Mondell concurred in the statement of Mr. Fordney that a bonus bill would be passed. "You must remember," he said, "that a great many members of the House made their campaigns on promises to support a bonus bill. They have got to vote for it." When he was asked how the money was to be raised Mr. Mondell replied: "That's for the Ways and Means Committee to decide," which reply, by the way, gives a very comprehensive description of the situation.

The promptness with which the bonus propagandists moved to counteract the tremendous wave of opposition sweeping over the country, naturally tended to increase the distrust of Senators and Representatives at present feel that they must vote for it to keep their campaign pledges.

Apparently none of them has any more idea than the man in the moon where the money is to come from to finance it. They have "passed the buck" to Mr. Fordney.

While Mr. Fordney is thus engaged the opposition to the whole bonus raid is rapidly crystallizing in speed and